

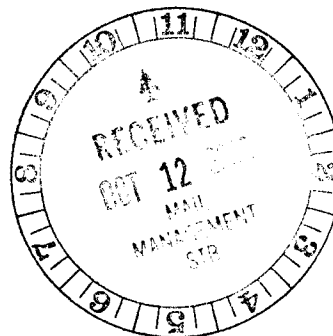


First Union Rail Corporation
NC5811
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018-4214
Tel 847 318-7575
Fax 847 318-7588

October 11, 2000

VIA UPS NEXT DAY AIR

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment



Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals and one (1) copy of a Memorandum of Lease Agreement, dated August 7, 2000, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation number 20995 on November 13, 1997.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Central Michigan Railway Company
1424 Straits Drive
Bay City, MI 48706-9998

A description of the railroad equipment covered by the enclosed document is twenty-five (25) 4750 cubic foot covered hopper cars, with NOKL car marks (see Exhibit A for exact car numbers).


A short summary of the document to appear in the index follows:

Memorandum of Lease between First Union Rail Corporation, Lessor and Central Michigan Railway Company, Lessee, covering 25 4750 cubic foot covered hopper cars, with NOKL car marks (see Exhibit A for exact car numbers).

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,


Tiffany Chase-Morrison
Manager of Documentation

Enclosures

(CMGN003)

RECORDATION NO. 20995-A FILED

OCT 17 '00 10-28 AM

SURFACE TRANSPORTATION BOARD

EXHIBIT A
to
RIDER NO. 2

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 7th day of August, 1999, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Central Michigan Railway Company ("Lessee").

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of September 29, 1997, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 2 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of November 2, 1999 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. Seymour
Name: RICHARD F. SEYMOUR
Title: Vice President Sales & Marketing
By: K.A. Dombrowski
Name: K.A. DOMBROWSKI
Title: DIRECTOR OF DOCUMENTATION Executed on this 7th day of Aug., 1999.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

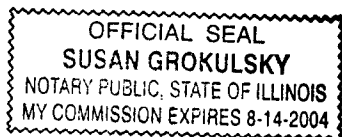
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 7th day of August, 1999.

Susan Grokulsky
Notary Public

My Commission Expires:

8-14-2004
(Notary Public)



RECORDATION NO. 20995-A FILED

OCT 17 '00 10-28 AM

SURFACE TRANSPORTATION BOARD

LESSEE:

CENTRAL MICHIGAN RAILWAY COMPANY

By: William A. Salter

Name: William A. Salter

Vice President

Title: Business Development

ATTEST:

By: Linda J. Hooverman

Name: Linda J. Hooverman

Administrative

Title: Assistant

Executed on this 1st day of August, ~~199~~ 2000.

[CORPORATE SEAL]

STATE OF MICHIGAN

COUNTY OF BAY

I, Linda J. Hooverman, a Notary Public of the County and State aforesaid, certify that William A. Salter personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 1st day of August, ~~199~~ 2000.

Linda J. Hooverman
Notary Public

LINDA J. HOOVERMAN

Notary Public, Saginaw County, MI

My Commission Expires Sept 3, 2001

Acting in Bay County, MI

Commission Expires:

09/03/01

(Notary Public)

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Twenty-Five (25).

DESCRIPTION OF CARS: 4750 cubic foot Covered Hopper Cars.

CAR NUMBERS:

- NOKL 000054
- NOKL 000105
- NOKL 000106
- NOKL 000108
- NOKL 000111
- NOKL 000113
- NOKL 000117
- NOKL 000118
- NOKL 000121
- NOKL 000122
- NOKL 003017
- NOKL 003036
- NOKL 003042
- NOKL 003086
- NOKL 003103
- NOKL 003129
- NOKL 003133
- NOKL 003139
- NOKL 003199
- NOKL 003227
- NOKL 003241
- NOKL 003303
- NOKL 003354
- NOKL 003629
- NOKL 200001